

LEAD AGENDA

BUILD HOMES AFFORDABLE FOR LOW-INCOME PEOPLE.

The for-profit housing market produces very little housing that is affordable for the lowest income people, leaving a gap of more than 200,000 homes for people earning less than half the area median income. Local communities need resources to build homes that cost what those households can afford.

INVEST \$10 MILLION INTO THE HOUSING TRUST FUND FOR PRESERVATION OF AFFORDABLE HOMES.

The Housing Trust Fund provides homes for families with children, seniors, veterans, people with disabilities, farmworkers, and more. Many currently affordable homes across Washington are at risk of being lost to the for-profit market. An additional \$10 million-dollar appropriation for the Housing Trust Fund in the Supplemental Capital Budget would help save homes and prevent the displacement of people living in them. This would preserve affordable homes already subsidized but at risk of loss. Funds could be used for the preservation of all units at risk of loss, including USDA properties in rural communities and homes funded with Low Income Housing Tax Credits.

ALLOW THE LOCAL OPTION FOR A 1/10TH OF 1% SALES TAX INCREASE FOR AFFORDABLE HOUSING TO BE IMPLEMENTED BY LOCAL ELECTED OFFICIALS. (HB 1590/SB 6126)

Local jurisdictions need more options to generate local funds for affordable homes. In 2015, the Legislature authorized cities and counties to implement a sales tax for affordable housing, but using the option requires an electoral process that is expensive and time-consuming. This would allow this local option to be enacted through a simple majority vote of the city or county council. Local governments could still send it to the voters, but would not be required to.

IMPROVEMENTS TO 1406

Improvements are needed to last year's House Bill 1406 to ensure that local jurisdictions can take full advantage of the state sales tax credit for affordable housing.

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REDUCE IMPEDIMENTS TO BUILDING AFFORDABLE HOMES.

Changes in current law are needed to reduce the cost and impediments to building affordable homes. These bills would make it easier for nonprofits and public housing authorities to develop affordable homes.

CREATE A REAL ESTATE EXCISE TAX EXEMPTION FOR SELLING PROPERTY TO A NONPROFIT OR PUBLIC HOUSING AUTHORITY WHO ACQUIRES IT FOR AFFORDABLE HOUSING. (HB 2634/ SB 6366)

The lack of properties available to develop multifamily housing and the inability to compete with for-profit developers to acquire existing properties is a significant issue facing affordable housing developers across the state. Providing a Real Estate Excise Tax (REET) exemption when selling to a nonprofit or public housing authority for affordable housing will incentivize preserving or developing affordable homes. All sales or transfers of real property to a nonprofit entity, public development authority, or public housing authority would be exempt from the REET if the purchasing entity records a covenant requiring the property to be used for affordable housing.

FIX THE PROPERTY TAX EXEMPTION FOR AFFORDABLE RENTAL HOUSING FOR VERY LOW-INCOME HOUSEHOLDS. (HB 2384/ SB 6232)

Nonprofit affordable housing is currently granted a property tax exemption under certain circumstances, but it needs to be adjusted to work with the needs of today's affordable housing providers. If a tenant's income increases, which it often can because affordable housing stabilizes lives and improves employment opportunities, housing providers can be required to pay the full property tax. This unpredictability drives funders to require significant up-front cash reserves which can significantly increase the cost of building affordable homes.

This bill would adjust the initial target income of tenants from 50% of Area Median Income (AMI) and below, to 60% AMI and below to apply to more people. It would also eliminate the wildcard of future tax liability by allowing a tenant to increase their income without triggering a tax increase for the property.

IMPROVEMENTS TO 1923

Improvements are needed to last year's House Bill 1923 that creates incentives for reducing the cost of building homes.